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14 orm 3160-5 OMB No. 1004-0135 ్త⊘il∣Cons. DEPARTMENT OF THE INTERIOR (August 1999) Expires November 30, 2000 BUREAU OF LAND MANAGEMENT Ävenue_{NM-103570} SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill-or to re-enter an If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for Quch proposals. SUBMIT IN TRIPLICATE - Other instructions of feverse side If Unit or CA/Agreement, Name and/or No. Type of Well Oil Well X Gas Well Other Well Name and No. Name of Operator Highlands "14" Federal #1Y **KUKUI Operating Company** API Well No. 3a. Address 3b. Phone No. (include area code) 30-015-32341 203 W. Wall Street, Suite 810 915-687-6200 Midland, TX 79701 10. Field and Pool, or Exploratory Area 4. Location of Well (footage, Sec., T., R., M., or Survey Description) Huapache Basin (Wildcat) County or Parish, State 1980' FNL & 2000' FWL, Sec 14 - T19S - R21E Eddy, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casino Repai **New Construction** \mathbf{x} Recomplete Other Initial well Subsequent Report Change Plans Plug and Abandon Temporarily Abandon completion Convert to Injection Plug Back Water Disposal Final Abandonment Notice 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BLA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) 8/12/02 MIRU workover rig to complete Atoka. GIH w/4-3/4" bit & scraper to 7,585'. Circulate packer fluid. Run Schlumberger CBL. TOC @ 4,900'. Perforate Atoka 7,328 - 7,338' w/4 spf (.42" dia. holes). RDMO 8/13/02 wireline unit. GIH w/5-1/2" production packer & 2-7/8" tbg. Set packer @ 7,300'. Packer would not test. Suspect casing leak. 8/14/02 Determined casing leak existed. Squeeze casing leak @ 5,000' w/50 sks Class C. 8/15/02 Drill out cement from 4,813 - 5,046'. Test casing to 2,450 psi. Set production packer @ 7,300'. NU wellhead. Swab tubing to seat nipple. Acidize w/500 dials 159, HOR RECORD 8/19/02 diverted w/40 ea. 7/8" balls. Swab tubing. Prepare for frac job scheduled 8/23/02. 2002 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Larry K. Strider Western District Manager TROP ON FMON Signature Date 08/23/02 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Title Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office

certifiy that the applicant holds legal or equitable title to those rights in the subject lease

which would entitle the applicant to conduct operations thereon.